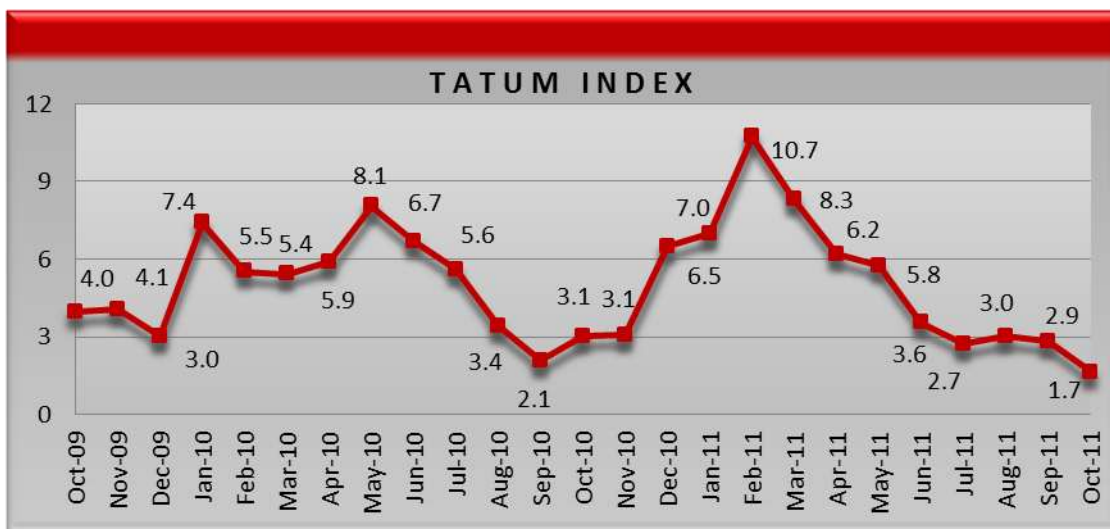


Business Conditions as of October 1, 2011 - Uh-Oh: All Signs Point to Recession Once Again

After a summer of weak trends, the Tatum Survey as of October 1 took a deep nose-dive to levels indicating recessionary conditions. The 60-day outlook turned sour from the cautious optimism shown last month. Business conditions have worsened from levels reflecting slow growth in the economy to now pointing to the long-feared "double-dip" recession. [\[download report\]](#)

The Tatum Index of Business Conditions

Tatum's Index of Business Conditions combines indicators of the past 30 days and the next 60 days into one number, summarizing our view of the current overall trend. At October 1, the Index declined significantly and now is in the range of negative growth and recessionary conditions.



ECONOMIC INDICATORS:

The Index declined significantly based on a weak September and a corresponding decline in the outlook.

Indicator	Past 30 days	60 day outlook	Comments
Business Conditions	↓	↓	Down in the past 30 days; mixed about the future 60 days with a jump in those expecting worsening conditions
Order Backlogs	↓	↓	Declined in past 30 days and expectations of further declines
Capital Expenditure Commitments	↗	↔	Slightly improved in the past 30 days; mixed results in the future 60 days with some increasing spending and others cutting back
Employment	↓	↔	Weak past 30 days; bifurcated outlook, with increases related to the upcoming holiday season, otherwise weak
Capital Availability & Pricing	↓	↓	Negative expectations related to the negative economic trends

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